

Exhibit F

Freddie Mac Single Family / Single-Family Seller/Servicer Guide, Volume 2 / Chs. 58-63: Servicing Performing Mortgages / Chapter 58: Property Insurance / 58.2: Minimum property insurance types and amounts (10/06/06)

58.2: Minimum property insurance types and amounts (10/06/06)

(a) 1- to 4-unit properties

At a minimum, the insurable improvements on the Mortgaged Premises must be insured for loss or damage from fire, lightning and other perils (windstorm, hail, explosion, riot, civil commotion, damage by aircraft, damage by vehicles and damage by smoke) covered within the scope of standard extended coverage. If any of the preceding perils (e.g., windstorm) is excluded from the primary insurance policy, coverage of the excluded peril must be picked up through a secondary insurance policy such as may be written by a state insurance pool under Section 58.1(c)(number 3). The insurance limits must at least equal the higher of:

- The unpaid principal balance of the Mortgage*

- * If the Mortgage is a Second Mortgage or Home Improvement Loan (HIL), the unpaid principal balance of the Mortgage for insurance calculation purposes is the aggregate unpaid principal balance of the Second Mortgage/HIL and all outstanding superior liens on the Mortgaged Premises.

- 80 percent of the full replacement cost of the insurable improvements

The coverage required in accordance with the above formula must not exceed the replacement cost of the insurable improvements, even when the unpaid principal balance of the Mortgage exceeds such replacement cost.

The Seller/Servicer must ensure that adequate insurance coverage is in force even when the improvements are vacant or unoccupied and must notify all insurers of any such change in occupancy in order to preserve its rights as mortgagee under the applicable insurance policy.

The deductible for fire, water (not caused by flooding) or wind damage to the insured improvements (generally designated as "dwelling" in the insurance policy) may not exceed 5 percent of the limit maintained for dwelling coverage.

(b) PUDs; ground lease communities

Requirements for 1- to 4-unit properties apply to similar residential properties within a Planned Unit Development (PUD) or a ground lease community.

If the individual units are covered by insurance purchased by their respective owners or leasehold lessees, the PUD homeowners association or the fee simple landowner/lessor of the ground lease community must insure common areas and property for 100 percent of their replacement cost under a commercial package policy which covers, at a minimum, loss from causes identified in the Insurance Services Office's (ISO's) *Commercial Property Causes of Loss — Special Form* endorsement. The policy must provide for loss or damage settlement at replacement cost. The association or fee simple landowner/lessor must also obtain any additional coverage commonly required by private mortgage investors for developments similar in construction, location and use, including the following where applicable and available:

- Agreed Amount, Agreed Value, Replacement Guarantee or Extended Replacement
- Inflation Guard
- Ordinance or Law
- Mechanical Breakdown and Equipment Failure with an Ordinance or Law endorsement

The insurance limit per covered mechanical breakdown or equipment failure must equal the lesser of:

- 100 percent of the replacement cost of the building housing the property which is susceptible to mechanical breakdown or equipment failure, or
- \$2 million

If a higher limit is required by private mortgage investors for PUDs similar in construction, location and use, the PUD homeowners association must maintain the higher insurance limit.

The deductible for fire, water (not caused by flooding) or wind damage to the insured improvements (generally designated as "building" in the insurance policy) may not exceed 5 percent of the limit maintained for building coverage.

Freddie Mac will also accept blanket insurance covering all units in the PUD or ground lease community as well as insurable common areas and property, if called for in the PUD's governing documents or in the lease. Such coverage must meet the requirements applicable to each PUD or ground lease community unit and those applicable to insurable common areas and property. Deductibles are allowed under this blanket coverage under the terms and conditions stipulated above.

The insurance policy of the PUD homeowners association or fee simple landowner/lessor of the ground lease community must name the insured in substantially the same language indicated below:

For PUDs: Association of Owners of the [Name of PUD] Planned Unit Development for the use and benefit of the individual owners (designated by name, if required by law or the governing documents).

For ground lease communities: [Name of the lessor] of the [Name of the ground lease community] for the use and benefit of the individual lessees (designated by name, if required by law or by the lease).

(c) Condominiums

The condominium owners association must insure common elements and property for 100 percent of their replacement cost under a *Condominium Association Coverage Form* of the ISO or equivalent commercial package policy which covers, at a minimum, loss from causes identified in the ISO's *Commercial Property Causes of Loss — Special Form* endorsement.

Common elements and property that must be insured under the condominium owners association's policy include the following:

- Building and structures in the Condominium Project
- Fixtures, machinery, equipment and supplies maintained for the service of the Condominium Project
- Fixtures, improvements, alterations and equipment within the individual Condominium Units, regardless of ownership, unless the Condominium Unit owners are required by the governing documents to insure these items

The insurance coverage must provide for loss or damage settlement at replacement cost.

The additional coverages required of PUD homeowners associations are also required of condominium owners associations where applicable and available.

The deductible for fire, water (not caused by flooding) or wind damage to the insured improvements (generally designated as "building" in the insurance policy) may not exceed 5 percent of the limit maintained for building coverage.

The insurance policy of the condominium owners association must name the insured in substantially the same language indicated below:

Association of Owners of the [Name of Condominium Project] Condominium for the use and benefit of the individual owners (designated by name, if required by law or the governing documents).

If the Mortgaged Premises are in a Detached Condominium Project and the condominium governing documents so permit, Freddie Mac will accept insurance for the Mortgaged Premises that meets the requirements of Sections 58.2 through 58.8 applicable to 1- to 4-unit properties. The condominium unit owners association must maintain all other applicable insurance coverages required in Sections 58.2 through 58.8.